

## Message Text

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62

ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 OMB-01 AID-20 PC-04 DRC-01 /121 W

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R 161820Z APR 74

FM AMCONSUL RIO DE JANEIRO

TO SECSTATE WASHDC 488

INFO AMEMBASSY BRASILIA

AMCONSUL SAO PAULO

AMCONSUL RECIFE

AMCONSUL BELEM UNN

AMCONSUL SALVADOR UNN

AMCONSUL PORTO ALEGRE UNN

C O N F I D E N T I A L RIO DE JANEIRO 1342

E.O. 11652: GDS

TAGS: PGOV, PINT, BR

SUBJECT: MERGER ANNOUNCEMENT JOLTS GUANABARA AND RIO STATES

REF: RIO'S A-26, FEB 19, 1974

SUMMARY: LOCAL STATE POLITICAL MACHINES WERE JOLTED BY THE GOB'S ANNOUNCEMENT THAT LEGAL STUDIES FOR THE MERGER OF RIO AND GUANABARA STATES ARE BEING PREPARED FOR APPARENT IMPLEMENTATION IN THE NEAR FUTURE. THE TERMS OF A NEW LAW SKETCHED OUT THUS FAR WOULD CALL FOR THE NAMING OF A SINGLE PROVISIONAL GOVERNOR TO REPLACE THE TWO CURRENT GOVERNORS AT THE END OF THEIR LEGAL TERMS ON MARCH 15, 1975. A CONSTITUENT ASSEMBLY WOULD BE CONVOKED IN OCTOBER OR NOVEMBER OF THIS YEAR TO DRAW UP THE CONSTITUTION FOR THE NEW STATE. THE MERGER PLANS HAVE SUSPENDED LOCAL GUBERNATORIAL SUCCESSION MANEUVERS. END SUMMARY.

1. THE ANNOUNCEMENT ON APRIL 9 THAT PRESIDENT GEISEL

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HAD ORDERED HIS MINISTER OF JUSTICE TO PREPARE A SUTDY

ON THE LEGAL AND CONSTITUTIONAL MEANS OF MERGING THE STATES OF GUANABARA AND RIO DE JANEIRO CAME AS A RUDE JOLT TO THE POLITICAL ESTABLISHMENTS OF BOTH STATES. ALTHOUGH THE IDEA OF A MERGER HAS SURFACED PERIODICALLY DURING THE PAST 10 YEARS, THE FEDERAL GOVERNMENT NEVER TOOK ACTION TO PUSH THE ISSUE TOWARD A RESOLUTION UNTIL LAST WEEK.

2. WITHOUT FORMALLY CONSULTING WITH THE STATES' GOVERNORS IN ADVANCE, THE GEISEL GOVERNMENT ANNOUNCED ITS INTENTIONS, SET THE GROUND RULES IT PLANS TO FOLLOW, ESTABLISHED A TIME TABLE, AND REVEALED DURING THE FOLLOWING DAYS DETAILS OF HOW IT INTENDS TO ACCOMPLISH THE MERGER.

3. THE PLAN, LIBERALLY LEAKED TO THE PRESS DURING THE PAST WEEK, CALLS FOR THE FORMULATION BY THE NATIONAL CONGRESS WITH INPUTS FROM THE STATE ASSEMBLIES OF A COMPLEMENTARY LAW AS PROVIDED FOR BY ARTICLES 3, 14, AND 44 OF THE CONSTITUTION. WITH THE ARTICULATION OF THESE GROUND RULES THE GOB THUS MADE IT CLEAR THAT IT DOES NOT WISH TO USE "EXCEPTIONAL MEASURES," SUCH AS THE EXTRAORDINARY POWERS GRANTED BY IA-5, TO IMPOSE THE MERGER.

4. THE TIME TABLE HINGES AROUND THIS YEAR'S CONGRESSIONAL ELECTION CAMPAIGNS WHICH FORMALLY BEGIN AUGUST 1. THE COMPLEMENTARY LAW CONTAINING THE MERGER PROVISIONS MUST BE DRAFTED AND RELEASED BY NO LATER THAN MAY 15 SO THAT IT CAN BE DESPATCHED TO THE TWO STATE ASSEMBLIES FOR A 30-DAY PERIOD OF CONSIDERATION, AND RETURNED TO THE NATIONAL CONGRESS BY JUNE 15 FOR A FINAL 45-DAY STUDY AND DEBATE PERIOD.

5. THE TERMS OF THE LAW, AS THE GOVERNMENT ENVISIONS THEM AT PRESENT, WILL PERMIT THE CURRENT GOVERNORS TO COMPLETE THEIR LEGAL MANDATES ENDING ON MARCH 15, 1975; WILL CALL FOR THE NAMING OF A SINGLE INTERVENTOR OR A PROVISIONAL GOVERNOR AT THE TIME WITH A TERM OF FOUR YEARS TO CARRY OUT THE MERGER; WILL PROVIDE FOR THE CONFIDENTIAL

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VOCATION OF THE CONSTITUENT ASSEMBLY TO DRAW UP THE NEW STATE'S CONSTITUTION; AND WILL ALLOW THE SAME NUMBER OF FEDERAL DEPUTIES AND SENATORS (FOR THE 1974 CAMPAIGN ONLY) TO RUN FOR OFFICE AS PLANNED FROM THE OLD JURISDICTIONAL LIMITS OF THE TWO STATES.

6. THOUGH SOME MODIFICATIONS TO THIS GENERAL PLAN WILL BE PERMITTED IN THE COURSE OF THE ENSUING LEGISLATIVE

DEBATES, THE BASIC COURSE HAS BEEN FINRLY AND CLEARLY  
OUTLINED.

7. COMMENT: MOST LOCAL POLITICIANS AND THE STATE  
BUREAUCRATIC MACHINES OF THE TWO STATES HAVE CONSISTENTLY  
OPPOSED MERGER OVER THE YEARS. ON THE OTHER SIDE,  
MERCHANTS, BUSINESSMEN, AND THE AREA'S TWO LEADING NEWS-  
PEPERS, JORNAL DO BRASIL AND O GLOBO, HAVE GENERALLY  
SUPPORTED THE MERGER. IN THIS STALEMATED SITUATION, IT  
IS CONCEDED BY MOST OBSERVERS THAT THE CATALYTIC FORCE  
WHICH PROMPTED THE GEISEL GOVERNMENT TO TAKE THE STEPS  
TOWARD MERGER WAS CELIO BORJA, GUANABARA FEDERAL DEPUTY  
WHO ALSO SERVES AS THE GOVERNMENT'S LEADER IN THE NATION-  
AL CHAMBER OF DEPUTIES. BORJA HAS FAVORED MERGER SINCE  
1963, AND HAS CAMPAIGNED BEHIND THE SCENES TO WIN HIGH  
LEVEL APPROVAL. IN EARLY CONVERSATIONS LAST JANUARY  
WITH GEISEL AND THE INFLUENTIAL GOLBERY HE TOLD US THAT  
HE OUTLINED HIS PLAN AND WON THEIR APPROVAL. HIS MAIN  
ARGUMENT IS THAT FOR BRAZIL'S FUTURE POLITICAL HEALTH,  
A POLITICAL EQUILIBRIUM OR POWER BALANCE MUST BE ESTAB-  
LISHED TO COUNTER THE CURRENT IMBALANCE CAUSED BY THE  
OVERWHELMING ECONOMIC AND POLITICAL IMPORTANCE OF SAO  
PAULO. THE ONLY VIABLE ALTERNATIVE, ACCORDING TO BORJA,  
IS TO MERGE THE CITY-STATE OF GUANABARA WITH RIO STATE,  
PROVIDING A LARGE POPULATION AND ECONOMIC POWER BASE TO  
OFFSET SAO PAULO'S EXPANDING INFLUENCE. IT IS WIDELY  
KNOWN THAT BORJA ASPIRES TO BECOME THE NEW STATE'S  
GOVERNOR, PROBABLY IN 1979.

8. TWO OTHER RESULTS STEMMING FROM THE MERGER ARE: (A)  
THE GUBERNATORIAL SUCCESSION "CONTESTS" IN THE TWO  
STATES HAVE BEEN SUSPENDED AND MADE IRRELEVANT; INDEED  
THE GOB PROBABLY ACTED NOW TO FORSTALL SUCCESSION DIS-  
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CUSSIONS BEFORE THEY SOLIDIFIED; AND (B) ALTHOUGH IT  
WILL BE A FAIRLY CLOSE CONTEST, THERE IS A STRONG POS-  
SIBILITY THAT THE MDB WILL LOSE OUT TO THE ARENA IN THE  
NEWLY FORMED STATE, AND THEREBY LOSE IN THE PROCESS, THE  
ONLY S  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PROVINCIAL GOVERNMENT, LOCAL GOVERNMENT, SOCIAL PROBLEMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 16 APR 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974RIODE01342  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D740087-1132  
**From:** RIO DE JANEIRO  
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**Image Path:**  
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**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** RIO'S A-26, FEB 19, 1974  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:** ANOMALY  
**Review Date:** 09 SEP 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <09 SEP 2002 by boyleja>; APPROVED <06 FEB 2003 by GolinoFR>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MERGER ANNOUNCEMENT JOLTS GUANABARA AND RIO STATES  
**TAGS:** PGOV, PINT, BR  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005